

1911

Uniform classification of accounts for gas utilities

Nevada. Public Service Commission

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STATE OF NEVADA

Uniform Classification of Accounts

FOR

GAS UTILITIES

PRESCRIBED BY THE

Public Service Commission of Nevada



CARSON CITY, NEVADA

STATE PRINTING OFFICE : : : JOE FARNSWORTH, SUPERINTENDENT



UNIFORM CLASSIFICATION OF GAS ACCOUNTS

PRESCRIBED BY THE

PUBLIC SERVICE COMMISSION OF NEVADA

INTRODUCTORY STATEMENT

CARSON CITY, June, 1911.

To Nevada Gas Utilities:

This circular embraces the uniform classification of accounts for gas utilities prescribed and issued by the Public Service Commission under date of June, 1911, and the detailed text of instructions to accompany such classification, prepared under the following provisions of Chapter 162 of the Statutes of 1911, known as the Public Utilities Law:

Uniform Accounting by Utilities.

SEC. 7. Every public utility shall keep and render to the Commission in manner and form prescribed by the Commission, uniform and detailed accounts of all business transacted.

Other Business Separate.

(a) Every public utility engaged directly or indirectly in any other business than those mentioned in section 3 of this act, shall, if required by the Commission, keep and render in like manner and form the accounts of all such other business, in which case all the provisions of this act shall apply with like force and effect to the books, accounts, papers and records of such other business.

Blanks Furnished by Commission.

(a) The Commission shall cause to be prepared suitable blanks for carrying out the purpose of this act, and shall, when necessary, furnish such blanks to each public utility.

Form of Bookkeeping Prescribed.

(a) No public utility shall keep any other books, accounts, papers or records of the business transacted than those prescribed or approved by the Commission. Each public utility shall have an office within this State, and shall keep in said office all such books, accounts, records or papers, none of which shall be removed at any time from the State except upon such conditions as may be prescribed by the Commission.

Annual Reports.

(b) The accounts of all such public utilities shall be closed annually on the 30th day of June, a balance sheet taken promptly therefrom, and full annual reports of the business to be made to the Commission not later than the 15th day of September following the closing of the

accounts. The reports shall be in such form as may be prescribed by the Commission, and shall contain all the information deemed by the Commission necessary for the proper performance of its duties. The Commission may, at any time, call for desired information omitted from such reports, or not provided for therein, whenever, in the judgment of the Commission, such information is necessary.

It is desired that all gas utilities conform their accounts to the system prescribed herein at their earliest possible convenience. It is possible that some alterations may be found expedient at some future time, but for the present, this classification is adhered to and prescribed and upon it will be based the annual reports made to the Public Service Commission by all gas utilities.

In order that this system may meet in a most satisfactory manner with the needs of the gas interests, consistent with the requirements of the Public Utilities Law, it is urged that all companies which are unable for any reason to conform to the accounts for the class in which they naturally come under the above arrangements, will communicate with this Commission, stating in full their reasons or conditions why special consideration should be given and an explanation of how complete a compliance with this system can be made.

PUBLIC SERVICE COMMISSION OF NEVADA.

H. F. BARTINE,
Chief Commissioner.

J. F. SHAUGHNESSY,
First Associate Commissioner.

W. H. SIMMONS,
Second Associate Commissioner.

INCOME ACCOUNTS

INCOME ACCOUNT FORM FOR REPORT

OPERATING REVENUES

Commercial Earnings	(Details)	
Industrial Earnings	(Details)	
Power Earnings	(Details)	
Municipal Contract Lighting Earnings	(Details)	
Sales of Gas to Other Public Utilities	(Details)	
<hr/>		
Total Earnings from Gas		\$
Earnings from Residuals (Net)	(Details)	
Miscellaneous Earnings from Operation	(Details)	
<hr/>		
Total Operating Revenues		\$

OPERATING EXPENSES

Production	(Details)	
Distribution	(Details)	
Municipal Contract Lighting	(Details)	
Commercial	(Details)	
General	(Details)	
Undistributed	(Details)	
<hr/>		
Total of Above Items		\$
Taxes	(Details)	
<hr/>		
Total Operating Expenses		\$
<hr/>		
Net Operating Revenue or Deficit		\$
<hr/>		
Nonoperating Revenues
<hr/>		
Gross Income or Deficit		\$

DEDUCTIONS FROM GROSS INCOME

Interest on Funded Debt	(Details)	
Interest on Real Estate Mortgages	(Details)	
Interest on Floating Debt	(Details)	
Contractual Sinking Fund Requirements	(Details)	
Miscellaneous Deductions	(Details)	
<hr/>		
Total		\$
<hr/>		
Net Income or Deficit		\$

DISPOSITION OF NET INCOME

Preferred Stock Dividends	(Details)	
Common Stock Dividends	(Details)	
Appropriations to Municipal Funds (Municipal Plants Only)	(Details)	
Other Payments from Net Income	(Details)	
<hr/>		
Total		\$
<hr/>		
Surplus or Deficit for Year
Surplus or Deficit at Beginning of Year
Adjustments During Year (Profit and Loss Account)
<hr/>		
Surplus or Deficit at Close of Year (as per Balance Sheet)		\$

DETAILED ACCOUNTS WITH TEXT

OPERATING REVENUES

Commercial Earnings.

Credit this account with all earnings from the sale of gas to commercial consumers for both lighting and fuel purposes when sold separately or through the same meter. Commercial consumers, embrace residences, offices, retail mercantile establishments, etc., where the gas purchased is not used primarily for power or industrial purposes. Where, however, some manufacturing or industrial processes are performed in any residence or store, but such process being merely incidental to the broader use of the premises as a commercial consumer and the gas consumed not being separately metered, the total consumption at such premises shall be credited to this account. Where gas is sold at a different rate per M cubic feet for lighting purposes than for fuel purposes, the earnings from each such division shall be credited to subdivisions of this account and reported separately to the Commission as follows:

a. *Earnings from Sales for Commercial Lighting.*

b. *Earnings from Sales for Commercial Fuel.*

Gas sold to manufacturing establishments for lighting, fuel and industrial purposes will not be credited to this account.

Where it is the custom of the utility to charge a minimum amount in cases where the consumption during the month is less than a prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill or to add a penalty to the bill where payment is not made on or before a prescribed date, such discounts or penalties shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show the *Minimum Bill* and the *Discount* or *Penalty* items.

Industrial Earnings.

Credit this account with all earnings from the sale of gas for lighting, fuel and industrial purposes sold to manufacturing and industrial establishments. Do not credit this account with sales of gas for power purposes. Where gas is sold at a different rate per thousand cubic feet for any particular kind of industrial use, as light, fuel, etc., the earnings from such separate sources shall be credited to appropriate subdivisions of this account and reported separately to the Commission.

Where it is the custom of the utility to charge a minimum amount in cases where the consumption during the month is less than a prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill or to add a penalty to the bill where payment is not made on or before a prescribed date,

such discount or penalty shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show the *Minimum Bill* and the *Discount* or *Penalty* items.

Power Earnings.

Credit this account with the earnings from all sales of gas for power purposes.

Where it is the custom of the utility to charge a minimum amount in cases where the consumption during the month is less than a prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill or to add a penalty to the bill where payment is not made on or before a prescribed date, such discounts or penalties shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show the *Minimum Bill* and the *Discount* or *Penalty* items.

Municipal Contract Lighting Earnings.

Credit this account with the earnings from the sale of gas to the municipality for public lighting service, embracing the lighting of streets, alleys, bridges, viaducts, parks, commons, etc., but not the lighting of public buildings unless such are particularly included in the contract. Where municipal buildings are not so included in the contract for public lighting, they are to be regarded as commercial consumers.

Earnings from the Sale of Gas to Other Public Utilities.

Credit to this account all earnings derived from supplying gas to other companies engaged in the production, distribution or sale of gas. Sub-accounts are to be opened for each company to which gas is furnished, the account showing the name of the purchasing gas company, the amount of gas purchased, and the total earnings from such sales, which details will be called for in the annual report to the Commission.

Earnings from Residuals.

Credit to this account all gross earnings derived from the sale of residuals and by-products. Separate accounts are to be opened for each class of residuals or by-products, showing the earnings from the sale of each as follows:

- a. *Earnings from the sale of coke.*
- b. *Earnings from the sale of coal gas tar.*
- c. *Earnings from the sale of water gas tar.*
- d. *Earnings from the sale of ammonia.*
- e. *Earnings from the sale of other residuals or by-products.*

The amount of earnings from the sale of any residual or by-product is to be determined by the price received at the point of delivery to the purchaser. All expenses incurred in connection with the preparation of residuals or by-products for commercial use, the expenses of their handling, sale and delivery are to be charged to appropriate and corresponding *Residual Expense Accounts* opened for that purpose. The net earnings from the sale of residuals will be carried to the *Income Account*.

Miscellaneous Earnings from Operations.

Credit to this account all earnings received from operating transactions not properly includible in the preceding accounts.

NONOPERATING REVENUES

Profit on Merchandise Sales.

Credit to this account the receipts derived from the sale of gas appliances or gas merchandise as lamps, stoves, engines, fixtures and all other appliances used in the consumption or utilization of gas. Profit, as used in this account, is defined as being the excess of the sales price over the cash cost, including the invoice cost, cost of handling, storage, etc. Charge this account with all expenses for labor and material in connection with the sale of such appliances or merchandise. The net only, or the profit on merchandise sales, is to be carried to the *Income Account*. The credits and charges to this account shall be made in such a manner as to admit of a detailed analysis when called for by the Commission.

Profit on Piping and Connections.

Credit this account with all earnings derived from piping and connection work performed by the utility. This includes earnings from services performed on the consumers' premises, such as piping the consumers' premises, connecting and disconnecting stoves, engines and other appliances, the relocation of piping or apparatus, and other gas-fitting work. If prospective consumers are charged for services performed by the utility in connecting the house piping with the service connection, and for laying the service piping, such earnings shall be credited to this account. Where the cost of laying the service is charged to the property owner, such work shall not be included in tangible capital. Charge to this account all expenses for labor and materials in connection with such operation, the net amount only, or the profit from such piping and connection work, being carried to the *Income Account*. The credits and charges to this account will be made in such a manner as to admit of a detailed analysis when called for by the Commission.

Rents from Land, Buildings, and Apparatus.

Credit to this account as it accrues all revenue from the rental of land, buildings, apparatus and appliances. Where the contract for the rental of any apparatus or appliances covers also the cost of connecting such apparatus and its maintenance, the entire revenue from such contract shall be credited to this account.

To this account shall be charged all expenses incurred in connection with the collection of such rents, commissions and fees therefor; the cost of procuring tenants for buildings, drawing contracts and leases, advertising for tenants of such buildings; expenses of ouster proceedings, and taxes, unless the taxes are to be paid by the tenant. Any expenses accruing while land and buildings are idle, also repairs upon such property, will be charged to this account. Only the net revenue or profit from the above transactions will be carried to the *Income Account* in the annual report.

Credits and charges to this account are to be made in such a manner as to admit of a detailed analysis being made when called for by the Commission.

Interest on Deposits.

Credit to this account all interest as it accrues on deposits of the gas utility funds with banks, trust companies or individuals. Interest on security investments will not be credited to this account but to the account *Interest and Dividends from Investments*. Interest on moneys

belonging to any of the reserves of the utility will be credited to such reserves.

Interest and Dividends from Investments.

Credit to this account all interest as it accrues upon interest-bearing securities which are liabilities, either actual or contingent, of solvent companies, cities or individuals, held as investments by the gas utility.

Credit to this account the cash value, as on the date when they become collectible, of dividends upon the stocks, preferred and common, of corporations held as investments by the gas utility.

A description of the securities whose yield is credited to this account will be called for in the annual report to the Commission.

Appropriations from Municipal Funds (for Municipal Plants Only).

Credit to this account all appropriations made by the municipality to the funds of the accounting utility for operating purposes. This account applies only to municipally owned gas utilities.

Miscellaneous Nonoperating Revenues.

Credit to this account all revenues from nonoperating sources not includible in any of the preceding accounts.

Utilities are at liberty to open sub-accounts for the purpose of showing the revenues from any particular sources.

OPERATING EXPENSE ACCOUNTS

- I. PRODUCTION
- II. DISTRIBUTION
- III. MUNICIPAL CONTRACT LIGHTING
- IV. COMMERCIAL
- V. GENERAL
- VI. UNDISTRIBUTED

NOTE—In case any gas utility finds it impossible or impracticable to keep its accounts with the detail herein prescribed, it should petition the Commission for authority to consolidate any two or more accounts, accompanying its petition with such facts which in its judgment make the keeping of the detailed accounts impracticable.

Operating Expenses are intended to include all items of expense necessarily incurred in being prepared to serve or in serving the public as a gas utility. This includes the expense of maintaining intact the organization of the utility, the manufacture, distribution and sale of gas and all processes necessarily incident thereto, together with the collection of the revenues from such operations. In order that the *Operating Expenses* shall clearly reflect only the cost of rendering such public service, all expenses incident to the operation of any other utility service performed or of any transactions of a commercial nature shall be excluded therefrom.

Operating Expenses in the broadest significance of the term are divisible into two classes, viz., *Operation* and *Maintenance*.

Operation should be understood to mean the "use" of the property and includes labor, materials and supplies and expenses, but excludes all *Maintenance* items.

Maintenance should be understood to mean "upkeep," and should cover all expenditures for ordinary repairs, renewals or replacements of prop-

erty resulting through wear and tear, or through those casualties which are incidental to the nature of the operation and which expenditures are necessary in order to keep up the productive capacity of the plant to its original or equivalent state of efficiency.

The items includible in the above subdivisions except where some other meaning is clearly apparent from the language used in explaining the account shall be understood to have the following meaning:

The Cost of Labor shall be understood to cover not only wages paid for manual labor, but salaries and fees paid to persons engaged in clerical, engineering or supervisory occupations.

Materials and Supplies shall be understood to cover the substances or matter consumed in furnishing the gas service as required or authorized by law and embraces not only finished and unfinished products, but all expenses incurred in connection with their preparation for use and specifically chargeable against such products and also includes a portion of the stores expenses, if such materials and supplies pass through the stores department.

Hand Tools, because of their liability to loss and theft and their rapid consumption in use, are to be considered as operating supplies in the year in which they were purchased and charged to the account for the benefit of which they were purchased.

Expenses should be understood to mean all expenditures made or incurred which are chargeable to the accounts referred to and which are not *Labor* or *Materials and Supplies*.

I. PRODUCTION

A. Coal Gas

Superintendence.

Charge to this account the total cost of superintendence of the coal gas production plant. This account includes the salaries of the superintendent of works, chemists at works, draftsmen, results man, works foreman, and all clerical help upon all records and accounts pertaining to the production department, whether at the general office, or at the works.

NOTE—If water gas is also produced at the plant, or if a portion of the gas charged to production is purchased, the expense of superintendence will be apportioned over the respective production departments.

NOTE—This account is included in the account *Coal Gas Operating Labor*.

Retort House Labor.

Charge to this account operating labor of all description from the coal in storage to the coke leaving the retort house. This account will include such items as the labor cost of weighing coal, firing benches, operating drawing and charging machines, patching and scurfing retorts, cleaning pipes and lids, weighing and handling coke, etc., including the wages of foremen, firemen, furnace men, retort tenders, patchers, pipe men, lid cleaners, coke wetters, guymen, riggers, shovelers, and wheelers of fuel. The cost of bringing coal from storage to charging floor if performed by other than retort house employees will be charged to the cost of coal. The cost of handling coke from outside the retort house to coke pile or coke yard will be charged to the account *Coke Stock Expense*. (Exclude maintenance labor.)

NOTE—This account is included in the account *Coal Gas Operating Labor*.

Purifying Labor.

Charge to this account all operating labor in the purification of coal gas. This includes the wages of coal gas purifiers, purifier house foreman, and labor employed in changing purifier boxes, reviving oxide, removing spent oxide, operating conveyors, and general labor employed in the purifier house or in the process of purifying coal gas. (Exclude maintenance labor.)

NOTE—If water gas is made and purified by the same employees, or a portion of the gas charged to production is purchased and is purified by the same employees, the total cost of purifying labor at the works will be apportioned over the respective production departments.

NOTE—This account is included in the account *Coal Gas Operating Labor*.

NOTE—Labor making new oxide will be charged to *Purifying Material Stock Account*.

Miscellaneous Labor.

Charge to this account all miscellaneous operating labor in and about the coal gas works not specifically chargeable to any other labor account, such as watchmen, yardmen, laborers engaged in removing snow and refuse, etc. (Exclude maintenance labor.)

NOTE—Where water gas is also produced or a portion of the gas charged to production is purchased, the total cost of miscellaneous labor at the works will be apportioned over the respective production departments.

NOTE—This account is included in the account *Coal Gas Operating Labor*.

Coal Carbonized.

Charge to this account as used from *Coal Stock Account* all coal carbonized at the rate of cost f. o. b. point of delivery at plant for storage. This includes the invoice cost of the fuel, freight, switching, demurrage, cost of unloading and cartage to the point of delivery at the plant for storage. (Credit the appropriate stock account with the material as used.)

Bench Fuel.

Charge to this account as used from the *Stock Accounts*, all bench fuel, including the cost per ton of expenses as shown by the *Stock Expense Accounts*. If coke is used, charge at the average net receipts per ton of coke sold for the current year and credit *Coke Stock Account*. If coke is sold under contract, charge the coke used at the contract price.

Enricher.

If cannel coal is used, charge at the cost of such coal in storage, including the invoice cost, cost of unloading, handling, etc. If oil is used, charge at the cost delivered in storage tanks, including the invoice cost, cost of pumping and piping, with proper proportion for any loss by evaporation or leakage, and credit *Oil Stock Account*.

If water gas is used charge for the same at the holder cost per thousand cubic feet.

Steam.

The total expense of generating steam is to be determined through a group of accounts referred to as the *Steam Generation Apportionment Account*. Where a utility is furnishing but one public service from its boiler plant, the details of the steam expense will appear in the *Steam Generation Apportionment Account*, and the total expense as shown therein will be carried to this account in the *Production* group of accounts and so

shown in the annual report to the Commission. Where, however, two or more utilities or services are making a demand upon the same boiler equipment, the total steam expense will be apportioned over the departments so using the steam equipment, and the apportioned share of the steam expense incurred for the benefit of coal gas production will be carried to this account. If steam is used in the coal gas plant for other purposes than the production of gas, the expense for steam will be further apportioned, charging the appropriate expense accounts.

Retort House Supplies and Expenses.

Charge to this account the cost of all operating supplies and expenses incurred in the operation of the retort house other than operating labor and repairs. This includes such items of expense as small hand tools, lubricants and waste, brooms, hose, etc. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Miscellaneous Coal Gas Supplies and Expenses*.

Coal Gas Purification Supplies and Expenses.

Charge to this account the cost of purification material and expenses incurred in purifying coal gas. The cost of such material will include the invoice cost of oxide, lime, shavings, etc.

Where large quantities of purifying material are made at one time, the cost of such material may be charged to the *Purifying Material Stock Account*, crediting that account with the material as used, and the cost divided over the number of months during which it is expected the material will be used. (Exclude maintenance supplies.)

NOTE—This account is included in the account *Miscellaneous Coal Gas Supplies and Expenses*.

Miscellaneous Coal Gas Supplies and Expenses.

Charge to this account the cost of all operating supplies and expenses incurred at the coal gas works not directly chargeable to any of the preceding production accounts. This includes such items as gas and electricity used at the works for general lighting, water for general purposes, laboratory apparatus and supplies, ice, brooms, lubricants, etc., and works stationery, telephones, etc., if it is desired to distribute such items. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Miscellaneous Coal Gas Supplies and Expenses*.

Maintenance of Benches.

Charge this account with the expense of all labor and material used in repairing and renewing benches, including retorts and settings, together with all pipings and mains which are a part of the retorts.

NOTE—This account is included in the account *Maintenance of Coal Gas Apparatus*.

Maintenance of Coal Gas Apparatus.

Charge to this account all expenses for labor and material incurred in repairing coal gas machinery and apparatus, embracing such items as purifying apparatus, exhausters, condensers, piping at works, electric and compressed air equipment, pumps, gas holders at works, etc.

NOTE—If water gas is also produced, or if a part of the gas charged to production is purchased, the cost of repairing equipment or apparatus which is used

for the joint benefit of the different kinds of gas will be apportioned to the maintenance accounts of the respective production departments.

NOTE—This account is included in the account *Maintenance of Coal Gas Apparatus*.

Maintenance of Coal Gas Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material incurred in repairing buildings and structures used exclusively for the manufacture of coal gas, as condensing and purifying buildings, retort houses, out-buildings, tool houses, etc.

Charge this account also with a proper proportion of the repairs to all buildings which are used for the joint benefit of the coal gas production department and any other department, as for example, buildings, fixtures and grounds also used in the production of water gas, production processes in connection with purchased gas or the generation of steam. The repairs to jointly used buildings, fixtures and grounds will be apportioned, charging to the appropriate maintenance accounts the proportion properly chargeable thereto.

B. Water Gas

For *Water Gas* use the same accounts as for *Coal Gas* except as given below.

Generator House Labor.

Charge this account with all operating labor from the coke or coal in storage to the outlet of the seal box. This includes labor employed in measuring and pumping oil to generators; wages of gas makers and assistants; operating, charging, clinkering and cleaning generators; cleaning out seals and wash boxes; and the necessary attention to apparatus, tanks, motors, pumps, blowers and engines while making water gas. (Exclude maintenance labor.)

NOTE—This account is included in the account *Water Gas Operating Labor*.

Steam for Generating Water Gas.

The total expense of generating steam is to be determined through a separate group of accounts known as the *Steam Apportionment Account*. Where a plant is operating but one utility service from its boiler plant, as for example a water gas production department, and all the steam generated is used in the production of water gas, the details of the steam expense will appear in the *Steam Apportionment Account* and the total of that group will be carried to this account. Where, however, two or more services are making a demand upon the same boiler equipment, the total cost of steam, as shown by the *Steam Apportionment Account*, will be apportioned over the corresponding accounts of the respective production departments. If steam is used in the water gas plant for other purposes than the production of water gas, the total expense for steam should be apportioned further, charging the appropriate accounts for the benefit of which the expense was incurred.

Generator Fuel.

Charge this account with the cost of all generator fuel. If coke is used, charge at the average net receipts per ton of coke sold during the current year. If coke is sold under contract, charge at the contract price. If coal is used, charge at the actual cost per ton, f. o. b. point of delivery at the plant for storage. This includes the invoice cost, freight, unloading, cartage from point of delivery to storage, etc.

Enricher.

Charge this account with the storage cost of oil, naphtha or other enricher used, including in such cost the invoice cost, freight, demurrage, pumping, labor employed in handling up to storage, cartage, and the loss by leakage and evaporation, as shown by the *Oil Stock Account*.

Water Gas Generator House Supplies and Expenses.

Charge this account with all operating supplies and expenses, except labor and repairs, incurred in the operation of the generator house and not chargeable to any of the preceding accounts. This embraces such items of expense as hand tools, lubricants for engines and blowers, waste, brooms, etc. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Miscellaneous Water Gas Supplies and Expenses*.

Water Gas Purification Supplies and Expenses.

Charge to this account the cost of purification material and expenses incurred in purifying water gas. The cost of such material will include the invoice cost of oxide, lime and shavings, all labor and cartage expense incurred, and the cost of mixing purifying materials. Where large quantities of purifying materials are made at one time, such cost may be charged to *Purifying Material Stock Account*, crediting that account with the material as used, and the cost divided over the number of months during which it is expected the material will be used. (Exclude maintenance supplies. Exclude purifying labor.)

NOTE—If coal gas is also produced or a portion of the gas is purchased product, all gases being purified after their mixture, the total cost of purification supplies and expenses will be apportioned over the corresponding accounts of the respective production departments.

NOTE—This account is included in the account *Miscellaneous Water Gas Supplies and Expenses*.

C. Purchased Gas

For *Purchased Gas* use the same accounts as for *Coal Gas* except as given below.

Collecting and Pumping Purchased Gas Labor.

Charge this account with the labor cost of collecting and pumping purchased gas where the gas is purchased at the plant of the producing company and pumped to the works of the purchasing company.

NOTE—This account is included in the account *Purchased Gas Operating Labor*.

Crude Gas Purchased.

Charge to this account the purchase price of all crude gas purchased from other producing companies for the purpose of distribution and resale. When gas is purchased from more than one company, separate accounts should be opened with each such company showing the name of the company, the amount in cubic feet of gas purchased, the rate paid per thousand cubic feet and the total amount paid therefor, which details will be called for in the annual report to the Commission.

Power for Pumping.

Charge to this account the cost of all power, whether steam, electricity or other power, used for pumping purchased gas from the plant or plants where purchased to the works of the purchasing utility.

D. Steam Generation (Apportionment Account)**Operating Labor.**

Charge this account with all operating labor employed in connection with the generation of steam. This account will be charged with the salaries of superintendent of boiler house, boiler house foremen, firemen, helpers, shovelers, weighers, feed-pump men, stokers, water purification labor, blowing flues, cleaning boilers, labor employed at the boiler plant in handling coal and ashes, boiler plant janitors, watchmen, etc. If the general superintendent of the power plant has charge of the boiler plant, a proportion of his salary will be charged to this account. (Exclude maintenance labor.)

Fuel for Steam.

Charge to this account all fuel used for steam, whether coal, oil, gas or other fuel, at the cost f. o. b. point of delivery at plant for storage. This includes the invoice cost of the fuel, freight, switching, demurrage, cost of unloading from cars or boats to wagons and cartage to point of delivery at the plant for storage.

(Credit the *Fuel Stock* account with fuel as used.)

Water for Steam.

Charge this account with the actual amount of water used for boiler feed and condensing purposes. If water is purchased, charge at the contract price or the meter rate. If water is pumped by the accounting utility, charge here the cost of pumpage. (Water for fire protection and general purposes should not be charged to this account.)

Miscellaneous Steam Supplies and Expenses.

Charge to this account all operating supplies and expenses at the boiler plant not chargeable to the preceding accounts, as boiler room records, boiler compounds, boiler inspection, water purification supplies and expenses, water for fire protection and general use, light and heat at the boiler plant, hose, packing, gaskets, boiler hand tools, lubricants, gage glasses, etc.

Maintenance of Boilers and Boiler Auxiliary Equipment.

Charge this account with all expense of labor and material used in repairing furnaces and boilers, special boiler foundations and settings, iron and steel smoke-stacks, feed pumps, water feed pipe, injectors, economizers, water heaters, superheaters, valves, grates, flues, mechanical stoker equipment, boiler room piping from the boiler to the engine throttle valve, steam exhaust system, boiler water supply mains, pumping equipment and similar auxiliary equipment.

NOTE—This account is included in the account *Maintenance of Boiler Plant Equipment*.

Maintenance of Coal and Ash Handling Equipment.

Charge this account with all expense of labor and material incurred in repairing coal and ash conveyors in the boiler plant, embracing trolley and cable towers, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains, etc.

NOTE—This account is included in the account *Maintenance of Boiler Plant Equipment*.

Maintenance of Boiler Plant Buildings, Fixtures and Grounds.

Charge to this account all expense of labor and material incurred in repairs to buildings, fixtures and grounds, including permanent founda-

tions for apparatus, used exclusively for the generation of steam. If the boiler plant equipment is housed in one of the general works buildings, the repairs to such buildings will be apportioned so as to charge to this account the proper proportion of the total cost of repairs to such jointly occupied buildings.

E. Gas Production (Apportionment Account)

Gas Utility Proportion of Total Production.

Charge this account with the proportion of the total cost of gas produced which is chargeable to the gas utility. This account will be raised by those plants operating two or more utility services, or commercial transactions in connection with a utility service, which are using a portion of the total gas produced. In such cases the production accounts as prescribed will be opened, the entire group of such accounts being regarded as an apportionment account and the total cost of gas produced will be apportioned over the several utilities or departments making a demand for gas, charging to this account the total proportion of gas produced properly chargeable to the gas utility.

II. DISTRIBUTION

Labor Removing and Resetting Meters.

Charge to this account all operating labor employed in removing and resetting meters on the premises of the consumers and placing meter connections in the course of the regular and periodical inspection of such meters. Where such work is performed by regular meter maintenance men, their time should be apportioned accordingly. (Exclude maintenance labor.)

NOTE—The cost of the original setting of each meter including one set of connections will be charged to the *Meter Construction Account*, if it is the policy of the utility to capitalize such original setting.

NOTE—This account is included in the account *Distribution System Operating Labor*.

Street Department Labor.

Charge this account with all operating labor employed in the street department. This includes labor pumping drips, taking street pressure, operating district governors, repairing street department tools, clerical salaries for the street department and miscellaneous street department operating labor. (Exclude maintenance labor.)

NOTE—This account is included in the account *Distribution System Operating Labor*.

Meter and Fittings Department Labor.

Charge this account with all operating labor employed in the meter shop and fittings department. This includes the salaries and wages of meter shop clerks, employees keeping shop records and all operating labor in the meter shop or department not properly chargeable to the accounts *Labor Removing and Resetting Meters* and *Maintenance of Meters*. (Exclude maintenance labor.)

NOTE—This account is included in the account *Distribution System Operating Labor*.

Customers' Premises Expenses.

Charge this account with all labor and material required for adjusting general complaints, clearing out, changing or adjusting house piping, gas

fixtures, burners or any portion of the consumers' property beyond the meter, including the cost of new pillars, tips, burners or any appliances or devices put in to better the service, and not properly chargeable to repairs; investigating reports of poor service or large bills, including taking pressure on complaints; labor placing clock meters and changing meters for request tests; and inspecting and testing new pipe, including car fare, meals, etc., of the inspectors on such work.

NOTE—Repairing leaks in meters and connections will be charged to *Maintenance of Meters Account*.

NOTE—Labor taking pressure for street department will be charged to *Street Department Labor Account*.

Pumping Gas.

Charge this account with all expenses incurred in connection with pumping gas through the mains or distributing system, pumping gas into high pressure mains for equalization and reinforcing pressure, including inspection and regulation of the booster governors.

NOTE—This account is included in the account *Distribution System Supplies and Expenses*.

Street Department Supplies and Expenses.

Charge this account with all operating supplies and expenses of the street department. This includes tools used in such department, pumping drips, office supplies and expenses of this department, expense of taking pressures, expense of operating district governors and miscellaneous street department supplies as gas bags, water hose, lanterns, etc. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Distribution System Supplies and Expenses*.

Meter and Fittings Department Supplies and Expenses.

Charge this account with all supplies consumed and expenses incurred in the operation of the meter and fittings department. Do not charge with labor expense. Expenses such as light, fuel, gas and electricity used for operating machinery and for testing in this department and hand tools of workmen will be charged to this account. This account should include all expenses connected with the meter department not included in the account *Meter and Fitting Department Labor and Labor Removing and Resetting Meters*. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Distribution System Supplies and Expenses*.

Maintenance of Mains.

Charge this account with the expenses for labor and material incurred in repairing, overhauling, changing position of or replacing gas mains, including pumping mains, booster mains, and distribution mains. This account covers such items as seeking and repairing leaks, repairing pipes or removing and replacing worn sections and fittings, caulking, protecting exposed parts of undermined mains, digging and bracing in connection with such work, repaving and repairing street governors and manholes, etc. Credit the proper storeroom account with storeroom value of the pipes and fittings charged to this account.

Maintenance of Services.

Charge this account with the expenses for all labor and materials incurred in repairing, overhauling and changing positions of gas service

connections. This covers such items as seeking and repairing leaks, thawing services, cleaning and blowing out services, repairing and renewing service pipes to meters, including stop-cocks, service boxes and the cost of repairing the same. Changing and extending old service pipes to put meters in better location will be charged to this account. Extending new services to give better location for meters will be charged to the construction account *Services*.

Maintenance of Meters.

Charge to this account all expenses for labor and material in repairing meters and house governors, including readjusting, painting, new discs, diaphragms, testing and repairing old meters, repairing and replacing old connections, meter fitting, etc., meter unions, cocks and piping, changing meters for routine tests, etc. The average cost of one set of meter connections shall be charged to the constructing account *Meters*, if it is the policy of the utility to capitalize such original setting cost.

Maintenance of Distribution Buildings, Fixtures and Grounds.

Charge to this account all expenses for labor and material incurred in repairing buildings, fixtures and grounds devoted exclusively to the distribution system.

III. MUNICIPAL CONTRACT LIGHTING

Labor, Lighting and Extinguishing.

Charge this account with the salaries and wages of all persons employed in the lighting and extinguishing of lamps included in the municipal contract lighting system. Where this service is performed by others under contract for the company, this account will be charged with the contractor's bill.

NOTE—This account is included in the account *Municipal Contract Lighting Operating Labor*.

Labor, Inspecting and Cleaning.

Charge this account with the salaries and wages of all persons employed in inspecting and cleaning lamps and lamp equipment embraced in the municipal contract lighting system. This includes the salaries and wages of lamp cleaners, persons engaged in inspecting and supervising the operation of the contract lighting system, patrolling and reporting on re-lights and discontinues, and watching the hours of lighting and extinguishing. (Exclude maintenance labor.)

NOTE—This account is included in the account *Municipal Contract Lighting Operating Labor*.

Labor Resetting and Removing Municipal Contract Lamps.

Charge this account with the labor employed in resetting and removing all lamps and lamp equipment embraced in the municipal contract lighting system, as ordered by municipal authorities. (Exclude maintenance labor.)

NOTE—The removal or replacement of any equipment made necessary by its worn condition will not be charged to this account but to the account *Maintenance of Municipal Contract Lighting System*.

NOTE—The cost of the original setting of any part of the municipal contract lighting system will be charged to the *Construction Account, Municipal Contract Lighting System*.

NOTE—This account is included in the account *Municipal Contract Lighting Operating Labor*.

Rentals.

Charge this account with all rentals paid on apparatus or equipment constituting a part of all of the municipal contract lighting system.

NOTE—This account is included in the account *Municipal Contract Lighting Supplies and Expenses*.

Miscellaneous Municipal Contract Lighting Supplies and Expenses.

Charge this account with the cost of all operating supplies and expenses other than rentals incurred in the operation of the municipal contract lighting system. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Municipal Contract Lighting Supplies and Expenses*.

Maintenance of Municipal Contract Lighting System.

Charge this account with all expenses for labor and material incurred in refitting stand-pipes, cleaning service pipes, cutting off services, recaulking columns, removing and resetting decayed and worn posts, painting and refitting columns, straightening posts and all other work of similar character necessary to maintain the municipal contract lighting system to the degree of efficiency required by the municipal ordinances. This account will also be charged with the cost of repaving necessitated by openings in connection with the above work.

IV. COMMERCIAL**Collection Salaries and Commissions.**

Charge this account with all salaries of the collection department employees, from the taking of applications for gas service to the depositing of proceeds from collection in the bank. This includes not only the salaries of employees whose entire time is engaged in the collection department, but the proper proportion of the salaries of employees who are partly engaged in other departments. Charge also with fees and commissions paid for collecting bills.

NOTE—This account is included in the account *Collection Expenses*.

Reading Meters and Delivering Bills.

Charge this account with all salaries and wages of meter readers and employees engaged in delivering bills for gas.

NOTE—This account is included in the account *Collection Expenses*.

Collection Supplies and Expenses.

Charge this account with all supplies and expenses of the gas utility collection office not otherwise provided for, including supplies and expenses of outside collectors and meter readers. Stationery, stamps, etc., and surety bonds of collection department employees will also be charged to this account if it is desired to distribute such expenses.

NOTE—This account is included in the account *Collection Expenses*.

V. GENERAL**Salaries of General Officers.**

Charge this account with the salaries of general officers including the president, vice-presidents, general manager, secretary, treasurer, comptroller, auditor, and all other officers whose jurisdiction extends over the entire business and whose services are not chargeable to any particular department.

NOTE—This account is included in the account *General Office Salaries*.

Salaries of General Office Clerks.

Charge this account with the salaries of all clerks and assistants connected with the general offices, except such as may be directly engaged in other departments, in which case their compensation should be charged to such department directly. Where general office clerks also perform services for other departments, their compensation will be apportioned accordingly and charged to the respective departmental accounts.

NOTE—This account is included in the account *General Office Salaries*.

General Office Rent.

Charge this account with all rent paid for general offices of the gas utility.

NOTE—This account is included in the account *General Office Supplies and Expenses*.

Miscellaneous General Office Supplies and Expenses.

Charge this account with the cost of all office supplies and expenses, newspapers and periodicals, messenger and janitor service, directories, telegrams, exchange on remittances, etc. Charge also with the cost of books, stationery, telephone, etc., if it is desired to distribute such expenses.

NOTE—This account is included in the account *General Office Supplies and Expenses*.

Law Expenses—General.

Charge to this account all law expenses except those incurred in connection with the defense and settlement of injury and damage claims. Charge with salaries and expenses of counsel, solicitors and general attorneys, their clerks and attendants, etc. Charge also with the cost of law books, printing briefs, legal forms, testimony, reports, fees and retainers of general counsel and attorneys, court costs, and payments of specific notarial and witness fees, expense of taking depositions and other general law and court expenses. Expenses of arbitrators of disputed points will also be charged to this account.

NOTE—Salaries, fees and retainers of counsel and attorneys engaged in the defense and settlement of injury and damage suits will be charged to the account *Injuries and Damages*.

Miscellaneous General Expenses.

Charge this account with the cost of all miscellaneous general expenses, embracing such items as publishing annual reports in newspapers, advertising notices of stockholders' meetings, dividend notices and other corporate and financial notices of a general character; traveling expenses of the general officers and others connected with the general office, association dues, expenses attending conventions and meetings; subscriptions, donations and gratuities; fees of transfer agents, registrars of stock and fiscal agents; directors' fees, and contingent expenses of management not otherwise provided for.

Maintenance of General Office Equipment.

Charge this account with the expense of all labor and material incurred in the repair of the general office equipment, including furniture and furnishings, office apparatus and appliances.

Maintenance of General Office Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material incurred in the repair of the general office buildings, fixtures and grounds, includ-

ing elevators, vaults, heating and lighting fixtures, and appurtenant sidewalks, lawns, fences, drives, etc.

VI. UNDISTRIBUTED

The undistributed accounts included in this group may be treated as ledger accounts and the total charges so shown in the annual report to the Commission, or the reporting utilities may distribute the total of the accounts over certain of the other departmental operating expense accounts, charging the latter with such proportions of the total of each undistributed account as appears reasonable and just in the premises. Wherever these accounts are distributed over the accounts for whose benefit the expenses have been incurred, the details of such clearing operations shall be reported in the annual report to the Commission, showing the total of each of the distributed accounts, the accounts into which they were closed, together with the amount closed into such accounts, in order that such amounts may be deducted by the Commission for purposes of analytical comparison.

Injuries and Damages.

Charge this account will all damages to or destruction of property other than that owned by the utility, charging with the cost of restoring the property less insurance or legal damages allowed, and with all expenses incident to injury and death to employees and other persons for whose injury or death the utility is held liable or in the settlement of which claim allowances are made. This embraces judgments for damages and plaintiff's court costs; proportion of salaries and expenses or fees of physicians and surgeons, expenses of undertakers, nurses and hospital attendants; medical and surgical appliances; contributions to hospitals; transportation of injured persons; and wages and salaries paid to employees while disabled. The salaries and expenses of the utility's claim agents, adjusters, and their assistants, will be charged to this account. The compensation of general solicitors and counsel of the utility or other attorneys while engaged in the defense and settlement of damage suits will be charged to this account.

Utilities are at liberty to subdivide this account to show the following expenses:

- a. *Injuries to Persons.*
- b. *Damages to Property.*

When such subdivisions are not made, the charges to this account should be so made as to admit of their separation over such two subdivisions when called for by the Commission.

Insurance.

Charge to this account all premiums paid to insurance companies for fire, casualty, boiler, fidelity, burglar and all other insurance. If it is desired to open an *Insurance Reserve*, all amounts set aside for insurance and charged against operating expenses should be credited to such *Insurance Reserve*.

TAXES

This account shall cover all taxes chargeable against the gas utility. Where the reporting utility is also engaged in transactions outside the scope of its duties as a public utility, this account shall be subdivided into the following two sub-accounts, to be maintained separately:

- a. *Taxes Chargeable Against Gas Utility.*
- b. *Taxes Chargeable to Nonoperating Transactions.*

To each such tax account there shall be charged monthly the amount of taxes accrued during the month, and such amount shall be credited to the account *Taxes Accrued* (or *Prepaid Taxes*, if such taxes are prepaid) or the appropriate subdivision of such accounts. The amount of taxes accrued during any month shall, when the levy is unknown, be estimated, and when the levy is finally determined the estimate shall be corrected in the provision for taxes during the remainder of the year. For example, if at the beginning of the tax year the taxes against the utility are estimated to be \$600 for the year, the monthly charge on account of such tax will be \$50, crediting the same to the *Taxes Accrued Account* or *Prepaid Taxes*, as the case may be, until the amount of the levy becomes definitely known. If during the fifth month it is found that the levy for the year is \$640 instead of \$600, there will already have been charged for four months the \$50 per month, leaving \$440 to be charged during the remainder of the year, or \$55 for the fifth month and each succeeding month during the remainder of the year.

Such taxes as pertain to two or more utility services, or to operating and nonoperating transactions alike, shall be apportioned with regard to such departments or subdivisions upon a basis which appears reasonable and just, such basis to be reported in the annual report to the Commission.

DEDUCTIONS FROM GROSS INCOME

CONTRACTUAL ACCOUNTS

Interest on Funded Debt.

Charge this account monthly with all the interest accrued on the outstanding funded indebtedness of the gas utility. Credit such monthly charge to the account *Unmatured Interest on Funded Debt Accrued*. When the interest has matured, charge it to the account *Unmatured Interest on Funded Debt Accrued* and credit the account *Matured Interest on Funded Debt Unpaid*. When such interest is paid, charge the account *Matured Interest on Funded Debt Unpaid* and credit *Cash* or the coupon deposit account.

Interest on Real Estate Mortgages.

Charge this account monthly with all the interest accrued on outstanding obligations of the gas utility secured by real estate mortgages. Credit such monthly charge to the account *Unmatured Interest on Funded Debt Accrued* (mortgage obligations with respect to this account being

considered as funded if they do not mature until more than one year after the date of issue). When the interest has matured, charge it to the account *Unmatured Interest on Funded Debt Accrued* and credit the account *Matured Interest on Funded Debt Unpaid*. When such interest is paid, charge the account *Matured Interest on Funded Debt Unpaid* and credit *Cash* or other appropriate account.

Interest on Floating Debt.

Charge this account monthly with the interest accruing on all unfunded or floating obligations on which the gas utility is liable. Credit such monthly charges to the account *Unmatured Interest on Notes and Bills Payable Accrued*. When the interest has matured, charge it to the account *Unmatured Interest on Notes and Bills Payable Accrued* and credit the account *Matured Interest on Notes and Bills Payable Unpaid*. When such interest is paid, charge the account *Matured Interest on Notes and Bills Payable Unpaid* and credit *Cash* or other appropriate account.

Contractual Sinking Fund Requirements.

Charge to this account monthly all accruals required to be made to sinking funds in accordance with the provisions of trust deeds, mortgages or other contracts requiring the establishment of sinking funds. Such charges will be credited to the *Sinking Fund Reserve*. All accruals to reserves or other funds, created voluntarily by the utility and not in pursuance of the provisions of any mortgage or other contract or of the requirements of law, shall be excluded therefrom.

BALANCE SHEET ACCOUNTS

BALANCE SHEET FORM FOR REPORT

ASSETS

PROPERTY AND PLANT:

Cost Beginning of Year.
Construction and Equipment Current Year.
Cost Close of Year.

TREASURY SECURITIES:

Treasury Stock.
Treasury Bonds.

INVESTMENTS:

Stocks and Bonds of Other Companies.
Other Investments.

RESERVE, SINKING AND SPECIAL FUND ASSETS:

Sinking Fund.
Special Funds.

CURRENT ASSETS:

Cash.
Notes and Bills Receivable.
Accounts Receivable.
Interest and Dividends Receivable.
Material and Supplies.
Sundry Current Assets.

PREPAID ACCOUNTS:

Prepaid Insurance.
Prepaid Taxes.
Prepaid Interest.
Sundry Prepaid Accounts.

Open Accounts.

Deficit.

Total Assets.

BALANCE SHEET FORM FOR REPORT—(Continued.)

LIABILITIES

CAPITAL LIABILITIES:

- Capital Stock Preferred.
- Capital Stock Common.
- Funded Debt.

MORTGAGE LIABILITIES:

- Real Estate Mortgages.
- Other Mortgages.

CURRENT LIABILITIES:

- Notes and Bills Payable.
- Accounts Payable.
- Matured Interest on Funded Debt Unpaid.
- Matured Interest on Notes and Bills Payable Unpaid.
- Dividends Unpaid.
- Deposits.
- Sundry Current Liabilities.

ACCRUED LIABILITIES:

- Insurance Accrued.
- Taxes Accrued.
- Unmatured Interest on Funded Debt Accrued.
- Unmatured Interest on Notes and Bills Payable Accrued.
- Dividends Accrued.
- Sundry Liabilities Accrued.

Open Accounts.

RESERVE, SINKING AND SPECIAL FUND LIABILITIES:

- Sinking Fund.
- Special Funds.

Surplus.

Total Liabilities.

DETAILED ACCOUNTS WITH TEXT

CONSTRUCTION AND EQUIPMENT ACCOUNTS

INTANGIBLE CAPITAL

Organization.

Charge to this account all fees paid to governments for the privilege of incorporation and all fees and other expenditures incident to organizing the gas utility business. This includes the cost of preparing and distributing prospectuses, cost of soliciting subscriptions for stock (but not for loans nor for the purchase of bonds or other evidences of indebtedness), cash fees paid to promoters, and the actual cash value at the time of organization of securities paid to promoters for their services in organizing the enterprise, attorney's fees, cost of preparing and issuing certificates of stock, and cost of procuring certificates of convenience and necessity from the Commission, and other similar expenses. This account shall not be charged with any discounts on securities issued, nor shall it include any costs incident to negotiating loans or selling bonds or any other evidence of indebtedness. Expenses incident to an increase of the capital stock, and the negotiation and sale of stock thereunder, and expenses of preparing and filing certificates of amendment to the articles of incorporation, shall be charged to this account.

Franchises.

Charge to this account the actual amount paid to the State or to a political subdivision thereof in consideration for any franchise deemed necessary to the conduct of the gas utility service. If any such franchise is acquired by purchase, the charge to this account, in respect thereof, shall not exceed the amount so actually paid therefor by the gas utility to its assignor. If any franchise has a life of not more than one year after the day when it is placed in service or in effect, it shall not be charged to this account but to the appropriate operating expense account. Expenses in procuring franchises covering additional territory to be operated as a part of the existing system may be charged to this account. Payments made to state authorities or to any subdivision thereof, in consideration for granting extension of any franchise having a life in service of more than one year from the date of the grant, shall be considered as a renewal. If the franchises cover separate and distinct new enterprises, payments therefor shall be classed as original and charged to this account.

Rights, Licenses, Etc.

Charge to this account the cost of all rights, licenses and other intangible assets having a life of more than one year from the date when placed in service, acquired by the utility in or under valid patent grants by the United States to inventors for inventions and discoveries which are necessary or valuable to the economical conduct of the gas business, etc. If such right is extended to cover a further period of time than that covered by the original grant, the cost of such extension shall be

classed as a renewal. A patent right acquired for use in an existing system and necessary to the economical operation thereof, shall be classed as an addition.

NOTE—Utilities are at liberty to open sub-accounts showing the total cost of any class of rights or single patent.

TANGIBLE CAPITAL

Lands Used in Operation of Property

Accounts shall be opened as indicated below, to which shall be charged the cost of all land used and useful in the operation of the gas utility whose term of enjoyment is over one year from the grant thereof. The cost of land shall include the purchase price, the cost of registration of title, cost of examination of title, surveyors' and notaries' fees, purchasing agent's commission, the fees and taxes accrued to date from transfer of title, and all liens upon title acquired; also the cost of obtaining consents and payments for abutting property damages. The cost of any buildings, fixtures and improvements made to the land purchased, must not be charged to these accounts. If at the time of acquisition of any interest in land it extends to buildings or other improvements thereon, which improvements are devoted by the gas utility to its gas service and the contract of acquisition does not determine the price of such buildings or improvements, they shall be appraised at their fair cash value for use in such operations, and such appraised value shall be charged to the proper *Buildings, Fixtures and Grounds* account, and excluded from the *Land* account. If such improvements are not devoted to gas operations, but are devoted to other operations or are held as investment, the cost (or appraised value if the cost is not determined by the contract) shall be charged to an appropriate investment account.

Gas Works Land.

Charge this account with the cost of all land as above defined, occupied by the coal gas works, water gas works, purchased gas works, gas holders at works, and all appurtenances thereto.

NOTE—Utilities are at liberty to open sub-accounts showing the cost of land devoted to any particular use, as coal gas works land, water gas works land, purchased gas works land, etc.

Distribution Department Land.

Charge this account with the cost of all land above defined for transmission and distribution system piping, and all land occupied by the distribution department buildings, structures, outlying distribution holders, etc., together with all expenses incurred in obtaining such lands or rights.

General Office Land.

Charge this account with the cost of all land as above defined, occupied by the general office buildings of the gas utility.

Stores Department Land.

Charge this account with the cost of all land as above defined occupied by storage buildings and structures, or used as storage yards. Land occupied by storage holders will not be charged to this account, but to the account *Gas Works Land* or *Distribution Department Land*, as determined by the location of the holders.

Utility Equipment Land.

Charge this account with the cost of all land as hereinbefore defined occupied by barns, stables, automobile and vehicle and other utility equipment storage structures and land appurtenant thereto.

Buildings, Fixtures and Grounds Used in Operation of Property

Accounts shall be opened as indicated below, to which shall be charged the cost of all buildings, structures and improvements in the lands used and useful in the production of gas and all processes performed upon it up to its entrance into the storage holders. Such buildings, structures and fixtures include retort houses, purification and condensing houses, steam production structures, coal and other fuel sheds, and other storage buildings and structures, barns, stables and all fixtures attached to such buildings and a permanent part thereof, together with fences, walks, trestles, drives, grading and improvements of grounds. Machinery foundations and settings, if designed as a part of the permanent construction of the buildings and independent of their use in connection with any particular unit of equipment, shall be charged to the appropriate *Buildings, Fixtures and Grounds* account. If, however, such foundations and settings are prepared especially for certain units of equipment and designed to last no longer than such unit, their cost will be charged to the proper *Equipment* account. The following accounts will be raised:

Coal Gas Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds at the works devoted to the production of coal gas, including purification and all other processes performed upon coal gas prior to its entrance into the station holder. Such structures include retort houses, purifier houses, meter houses and permanent machinery and apparatus foundations, appurtenant walks, fences, drives, tramways, trestles, and all fixtures permanently attached thereto and a part thereof.

Water Gas Buildings, Fixtures and Grounds.

Charge to this account the cost of all structures at the works devoted to the production of water gas, including purification and all processes performed upon such water gas prior to its entrance into the holder station. Such structures include generator houses, purifier houses, meter houses, together with all appurtenant foundations and settings for machinery and apparatus therein and appurtenant walks, fences, drives, tramways, trestles, etc., and all fixtures permanently attached to such structures and a part thereof.

Purchased Gas Buildings, Fixtures and Grounds.

Charge to this account the cost of all structures at the works devoted to production processes performed upon purchased gas, including purification and other processes prior to its entrance into the holder station. Such structures include pumping stations, purifier houses, meter houses, together with permanent foundations and settings for machinery and apparatus therein and appurtenant walks, fences and drives, tramways, trestles, etc., and all fixtures permanently attached to such structures and made a part thereof.

Boiler Plant Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings, fixtures and grounds devoted to the generation of steam, all permanent foundations and set-

tings for machinery and apparatus and appurtenant walks, fences, drives and tramways and all fixtures permanently attached to such structures and made a part thereof.

Distribution Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings and structures devoted to the distribution of gas from the outlet of the holder to the consumers' meters. Such structures will include distribution department offices, buildings and structures at district holder stations, etc., together with all appurtenant walks, fences, drives, tramways, etc., and all fixtures permanently attached to such buildings and structures and a part thereof.

General Office Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to general office purposes of the gas utility and not includible in any of the preceding departmental buildings accounts, also all fixtures permanently attached thereto and a part thereof, such as heating and plumbing systems, electric wiring, permanent building vaults, together with appurtenant walks, fences, drives, etc.

Stores Department Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings and structures of the gas utility used for storage purposes, such as coal and other fuel storage sheds, coke sheds, pipe and fittings buildings, together with all fixtures permanently attached thereto and a part thereof, and fences, drives, walks, tramways, trestles, etc.

Utility Equipment Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings, fixtures and grounds devoted to stable, barn, garage or other utility equipment storage purposes, and all fixtures permanently attached thereto and a part thereof, and appurtenant fences, drives, walks, etc.

Gas Production Apparatus.

Accounts shall be opened as indicated below to which shall be charged the cost of all apparatus used in the production of gas by all methods, and including all apparatus used in connection with any process performed upon such gas prior to its entrance into the storage holders. The following accounts shall be kept:

Coal Gas Apparatus.

Charge to this account with the cost of coal gas apparatus. This account includes retorts, gas and steam engines and turbines at works devoted to the production of coal gas, purifying apparatus, such as washers, scrubbers, purifiers and other auxiliary equipment, condensers, exhausters, station meters, apparatus for charging retorts, apparatus for handling coal gas making supplies and residuals therefrom and storage holders at works, holder accessory apparatus, together with foundations and settings of such apparatus.

NOTE—If water gas is also produced or the apparatus is also used in connection with the production processes performed upon purchased gas the cost of such apparatus will be apportioned accordingly.

NOTE—If district holders are also operated a sub-account should be opened, to which the cost of all holders will be charged.

Water Gas Apparatus.

Charge this account with the cost of all water gas production apparatus. This account shall include the cost of all water gas generators, gas and steam engines and turbines at works devoted to the production of water gas, purifying apparatus, such as washers, scrubbers, purifiers and other auxiliary equipment, condensers, exhausters, station meters, apparatus for handling water gas making supplies and the residuals therefrom, storage holders at works and holder accessory apparatus, together with the foundations and settings of such apparatus.

NOTE—If coal gas is also produced at the works, and part of the apparatus is used in connection with the production processes performed upon purchased gas, the cost of such jointly used apparatus will be apportioned accordingly.

NOTE—If district holders are operated, a sub-account should be opened to which should be charged the cost of all holders.

Purchased Gas Apparatus.

Charge this account with the cost of apparatus used in connection with production processes performed upon purchased gas. This includes the cost of collecting and pumping apparatus, gas and steam engines and turbines at works devoted to such production processes in connection with purchased gas, purifying apparatus such as washers, scrubbers, purifiers and other auxiliary equipment, condensers, exhausters, station meters, storage holders at works and holder accessory apparatus, together with the foundations and settings of such apparatus.

NOTE—If coal gas and water gas are also produced at the works and a part of the apparatus above referred to is used jointly, the cost of such jointly used apparatus will be apportioned accordingly.

NOTE—If district holders are operated, a sub-account should be opened to which will be charged the cost of all holders.

Boilers and Boiler Plant Equipment.

Charge to this account the cost of all equipment devoted to the generation of steam. Charge with the cost of furnaces, boilers, their foundations and settings, boiler fittings, iron and steel smoke-stacks, feed pump, water feed pipe, injectors, economizers, water heaters, superheaters, valves, flues, steam pipes from the boilers to the engine throttle valves, steam exhaust system, boiler water purification equipment, mechanical stokers, cranes, coal and ash conveyors, steam traps, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains and similar auxiliary equipment in the boiler plant.

Mains.

Charge to this account the cost of all mains in place. This includes all mains from the yard connections to the district holders and from the works governor to the beginning of services, including the cost of all trenching, bracing, main pipe, special castings, lead packing, shut-offs, manholes, gates, valves and the cost of filling trenches and restoring the the surface of the ground to its former condition or that required by the municipal authorities at the time the main is installed.

NOTE—Utilities desiring to do so may open sub-accounts showing the construction cost of low pressure street mains, booster mains and pumping mains separately.

Services.

Charge to this account the cost of the gas utility's property in services in or leading to the consumers' premises. This includes the cost of

material in place, the cost of trenching for placing services, service pipe, service boxes, stopcocks, etc., and the cost of filling trenches and restoring the surface to its proper condition. Where consumers are required to pay part or all of the cost of services, only that portion of the cost not chargeable to the consumers is chargeable to this account, and in all cases where only a portion of the cost of the service is chargeable to this account the entry thereto shall show the entire cost of the services as well as the cost charged to this account. Where services extending only from the main to the curb or to the lot line are placed before actually required for the purpose of supplying consumers, the entry of the cost should show that fact. Such services will be required to be separately reported in the annual report to the Commission.

Meters.

To this account shall be charged the cost of the utility's property in all meters used in measuring the gas delivered to consumers. This includes the cost of the first setting of the meter including the first set of meter fittings and connections in the premises of the consumer or such portion of such cost as is borne by the utility. The cost of changing the position of the meter or of removing it should not be charged to this account.

Municipal Contract Lighting System.

Charge to this account the cost of the utility's property used and useful in supplying gas for lighting under the municipal contract for lighting. This includes the cost of lamps, posts and all accessory apparatus and appliances including the first cost of setting and installation. The cost of removal or changing positions of any lighting equipment will not be charged to this account, but to the appropriate maintenance account. Where the terms of the contract require an extension of mains and services which are to be used exclusively for street lighting, such extensions may as long as they are used solely for the use defined in the contract in question be charged to this account. Entries to this account in respect to such extension shall be so made as to admit of a detailed statement when called for by the Commission.

General Office Equipment.

Charge to this account the cost of all equipment of the general office of the gas utility, embracing such items as office furniture and furnishings, movable safes, filing-cases and devices, typewriters, adding machines, addressographs and sundry office equipment having an expectancy of life in service exceeding one year.

Stores Department Equipment.

Charge to this account the cost of all equipment in the gas utility storage department. This includes loading and unloading machinery, derricks, cranes, hoists, conveying apparatus, oil pumps, tar wells, etc.

Utility Equipment.

Charge this account with the cost of all utility equipment. This includes wagons, drays, trucks, harnesses, horses, automobiles, bicycles, motorcycles, industrial tramways, etc.

Miscellaneous Equipment.

Charge to this account all equipment not includible in any of the preceding classified capital accounts, embracing such items as shop appli-

ances, shop and laboratory tools, work tools and instruments, street department work tools and instruments, and other miscellaneous equipment.

NOTE—Utilities are at liberty to subdivide this account to show the cost of any class of such miscellaneous equipment.

Miscellaneous Construction and Equipment Expenditures

Accounts shall be opened as indicated below to which shall be charged all expenditures incurred during construction and before the operation of the gas utility, of the character indicated by the title of the accounts. If expenditures are incurred for the service of engineers, superintendents and other technical skill of an advisory character during the process of construction and such items are not chargeable to any of the following accounts, there may be opened the account *Engineering and Superintendence*.

The following detailed accounts should be kept of the expenditures during construction:

Salaries During Construction.

Charge this account with the salaries of all general officers and general office assistants during the period of construction of the gas utility plant and up to the production and sale of gas.

Office Supplies and Expenses During Construction.

Charge this account with the cost of all office supplies and expenses incurred during the process of construction of the plant up to the time of manufacture and sale of gas, such as messenger and janitor service, rent of premises occupied during construction, water, light, heat, telegrams, exchange on remittances, etc.

Stationery and Printing During Construction.

Charge this account with the cost of all stationery, printing, postage, blanks, record books, etc., used during the construction of the plant and up to the time of manufacture and sale of gas.

Law Expenses During Construction.

Charge to this account all law expenses incurred during the period of construction of the gas plant. Charge with the salaries and expenses of counsel, solicitors and general attorneys, their clerks and attendants, etc. Charge also with the cost of law books, printing briefs, legal forms, testimony, reports, fees and retainers of the general counsel and attorneys, court costs and payments of specific notarial and witness fees, expense of taking depositions, and general law and court expenses during construction. Expenses of arbitrators of disputed points will also be charged to this account. When any of the expenditures above enumerated can be charged directly to the account for whose benefit they were incurred, they shall be so charged and not to this account. Thus, expenditures in connection with the acquisition of land to be occupied by the works shall be charged to the appropriate construction account. Law expenses in connection with the organization of the utility, whenever such can be definitely ascertained, shall be charged to the account *Organization*.

Injuries and Damages During Construction.

Charge to this account all damages to or destruction of property other than that owned by the utility, caused directly in connection with the

construction of the gas works, and all expenses incident to injuries or death of employees and other persons for which injuries or death the utility is held liable or in the settlement of which claims allowances are made. This includes such items of expense as judgments for damages and plaintiff's court costs; proportion of salaries and expenses or fees of physicians and surgeons, expenses of undertakers, nurses and hospital expenses, medical and surgical supplies, contributions to hospitals during the period of construction of the plant, transportation of injured persons and wages and salaries paid to employees while disabled. The salaries and expenses of the utility's claim agents, adjusters and their assistants while engaged upon settling such claims arising during construction will be charged to this account. The compensations of the general solicitors or counsel of the utility while engaged in the defense and settlement of damage suits will also be charged to this account.

Insurance During Construction.

Charge to this account all premiums paid to insurance companies for fire, casualty, boiler, fidelity and other insurance covering risks during construction of the gas works and its equipment.

Taxes During Construction.

Charge to this account all taxes and assessments levied and paid on property belonging to the gas utility while under construction and before the plant has begun operations, except special assessments for street and other improvements such as grading, curbing, paving, sidewalks, sewer, etc., which shall be charged to the account to which the property benefited has been charged.

Interest During Construction.

Charge to this account the interest accrued upon all money, and claims payable upon demand, acquired for use in connection with the construction and equipment of the gas works from the time of such acquisition until the works are ready for commercial use. Interest receivable accrued upon such moneys and claims shall be credited to this account.

Discount on Bonds During Construction.

To this account may be charged the discount on bonds sold for construction purposes. The entries to such account shall be made with sufficient detail to permit of their identification and shall show the date when the bonds to which the discount applies were authorized, when issued and when sold, to whom sold, the amount realized from the sale, purpose for which the bonds were sold, and the application of the proceeds; all of which details will be called for by the Commission.

Miscellaneous Expenditures During Construction.

Charge to this account all expenditures incurred during construction not includible in any of the preceding accounts.

Cost of Plant Purchased (in Lieu of Plant Constructed).

Charge to this account the cost of the gas works purchased in case the plant of the utility is obtained by purchase instead of being constructed by it. The entry to this account should show with sufficient detail the name of the parties from whom purchased, the purchase price and all other facts pertinent to such sale, which details will be called for by the Commission.

TREASURY SECURITIES

Treasury Securities.

Charge to this account the par value of all stocks and bonds which have been authorized and issued by the utility or assumed by it or held by the treasurer or other fiscal agent of the utility for its benefit but which have not been sold. When such securities are sold their par value will be credited to this account.

NOTE—This account may be subdivided into the two following accounts:

- a. *Treasury Stock.*
- b. *Treasury Bonds.*

INVESTMENTS

Investments.

By investments, as here used, is meant the cost of the gas utility's title to or interest in all properties acquired, not for use in present operations but for the income to be derived from them, for a rise in value, for the control of some private business or other utility service, or for devotion to future operations at a time when the acquisition of such properties will not be possible under such favorable circumstances. In the annual report to be made to the Commission these investments will be required to be classified as to their character and with sufficient detail as to permit of their clear identification, showing the par value of all such stocks or bonds or other investments with the rate of return thereon, the amount of income received therefrom and the book value. Stocks, bonds or other property in which the funds of *Reserves* of the utility have been invested will not be shown in this account but as investments of the respective reserves, and so shown in the balance sheet to be contained in the report to the Commission.

RESERVE ACCOUNTS

Sinking Fund Reserves.

Sinking fund reserves shall be maintained whenever they are required in pursuance of the provisions of mortgage deeds, deeds of trust, contracts or provisions of the law. A separate *Sinking Fund Reserve* shall be maintained for each contractual requirement, to which reserve shall be credited any appropriation made in pursuance of the terms of the respective mortgage and trust deeds, contracts, etc., and charged to the account *Contractual Sinking Fund Requirements* and also accumulations resulting from any security belonging to such particular reserve. The title of each reserve shall clearly indicate the purpose for which it is being maintained.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Commission.

CURRENT ASSETS

Cash.

Charge to this account all money coming into the possession of the gas utility and in which the utility has the beneficial interest. Also charge it with all bank credits, checks and drafts receivable subject to satisfaction or transfer upon demand, whether payable to bearer or to order. All cash disbursements should be credited to this account.

Notes and Bills Receivable.

Charge to this account the cost of all notes and bills receivable which are the property of the gas utility and upon which solvent concerns or individuals are liable or which are sufficiently secured as to be considered good. This account includes demand notes, drafts, etc., issued by others than banks, and time notes, drafts, etc., by whomsoever issued. This account does not include investments nor the interest or dividends receivable from investments.

Accounts Receivable.

Charge to this account all amounts owing to the gas utility upon accounts with solvent concerns other than banks; also all accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals or which are sufficiently secured to be considered good and of all judgments against solvent concerns where the judgments are not appealable or suspended through appeal. Negotiable instruments will not be charged to this account.

Interest and Dividends Receivable.

When the gas utility becomes entitled to demand any interest or dividend from solvent concerns the amount to which it thus becomes entitled shall be charged to this account and shall be credited to the appropriate account in the *Income Account*. This account includes interest on matured accounts with solvent concerns and upon judgments against solvent debtors where such judgment has not been suspended as well as interest upon the commercial paper of solvent concerns. It does not include unmatured interest nor dividends not yet declared.

Materials and Supplies**Coal.**

Charge this account with the cost of all coal purchased for gas making purposes at its cost delivered alongside the company's storage, unless purchased delivered in coal shed or to the place of storage. The account *Coal Stock Expense* will be closed into this account monthly. Credit this account with coal used.

This account may be subdivided into accounts *a*, *b* and *c*, if desired, in order to give information regarding the cost of different kinds of coal. Credit this account with all coal used.

NOTE—*Coal Stock Expense*. Charge this account with the labor of weighing, unloading, piling and trimming coal in shed or in unloading coal from cars and boats, including cost of operating hoisting apparatus, including also the cost of shovels and other hand tools and repairs to the same. (This account will be closed monthly into the *Coal Stock Account*.)

Oil.

Charge this account with all oil or naphtha purchased for enricher at its cost delivered in the company's storage tanks, including the invoice cost, cost of pumping and piping with proper proportion for any loss by evaporation or leakage. Credit this account with oil as used, charging the same to the appropriate operating expense accounts.

Coke.

Charge this account each month with the amount of coke produced. Close into this account each month the *Coke Stock Expense Account*. Credit this account with all the sales of coke either to the company for its own use or to the public.

NOTE—*Coke Stock Expense*. Charge this account with the cost of handling

coke from the retort house to the coke yard or coke shed. The account should also be charged with all labor, material and expenses incurred in handling and marketing gas coke after it has been deposited in the coke yards or storage, including advertising, cartage and cost of operating coke yard machinery and apparatus such as conveyors, crushers, screens, elevators and the cost of hand and portable tools used in handling coke. (This account will be closed monthly into the *Coke Stock Account*.)

Tar.

Charge to this account monthly the total amount of tar made. Credit the account with all amounts of tar sold to the company for its own use or sold to the public. The account *Tar Stock Expense* will be closed into this account monthly.

NOTE—Utilities making both coal gas tar and water gas tar are at liberty to subdivide this account in order to show the debits and credits for each kind of tar separately.

NOTE—*Tar Stock Expense*. Charge this account with the cost of labor, material and expenses incurred in distilling and marketing tar, including the cost of tar packages, cartage, freight, switching, the salary of foreman at the tar plant, tar salesman, advertising, and the cost of operating tar handling machinery and equipment and the cost of hand and portable tools used in handling and disposing of tar. Companies producing coal gas tar and water gas tar may open sub-accounts showing expense incident to each kind of tar produced. (This account will be closed monthly into the *Tar Stock Account*.)

Ammonia.

Charge this account monthly with all ammonia made. Credit this account with ammonia sold to the company for its own use or sold to the public. The account *Ammonia Stock Expense* will be closed into this account monthly.

NOTE—*Ammonia Stock Expense*. Charge this account with the cost of all labor and material required for concentrating and shipping ammoniacal liquor, and the cost of all repairs to ammonia apparatus together with the expense of selling the product of the ammonia plant. (This account will be closed monthly into the *Ammonia Stock Account*.)

Purifying Material.

Charge this account with all labor and material used in making purifying material including the cost of such items as oxide, lime, shavings, etc. Credit this account with the amount of purifying material used and charged to the appropriate operating expense account.

Cast Pipe and Fittings.

Charge this account with the invoice cost, freight and cost of handling of all cast-iron pipe and fittings. Credit this account with the material as used, charging the appropriate operating expense or construction and equipment account, as the use of the pipe determines.

Wrought Pipe and Fittings.

Charge this account with the invoice cost, freight and cost of handling of all wrought iron pipe and fittings. Credit this account with all such material as used, charging the appropriate operating expense or construction account, as the use of the material in question determines.

Meters.

Charge this account with the invoice cost, freight and cost of handling all meters. Credit this account with the meters removed from stock

room, charging the appropriate operating expense account or construction account, as the nature of the case requires.

Appliances.

Charge this account with all appliances purchased at their cost delivered in the utility's storeroom, including freight, cartage and cost of handling. Profits on all appliances sold will be credited to the appropriate revenue account. Credit this account with all appliances taken from storage.

NOTE—This account may be subdivided into accounts *a, b, c, etc.*, if desired, in order to properly account for the different classes of appliances.

Miscellaneous Materials and Supplies.

Charge this account with the cost of all material purchased to be used by the utility and not properly chargeable to any of the preceding stock accounts at the cost of such material delivered in stock room, including freight, cartage and handling. Credit this account with all material taken from storage.

NOTE—This account may be subdivided into accounts *a, b, c, etc.*, if desired, in order to properly account for different classes of stores charged to this account.

Miscellaneous Current Assets.

To this account shall be charged the cost of all current assets of the gas utility not includible under any of the preceding current asset accounts. Property readily convertible into money and which is being held with the intent of being so converted into money will be considered as a current asset and charged to this or the appropriate preceding account.

PREPAID ACCOUNTS

Prepaid Insurance.

When premiums on insurance policies are paid in advance of their accrual, the amounts prepaid whether paid in cash or by an issue of notes or other negotiable paper shall be charged to this account. As the premiums accrue they shall be credited at monthly intervals to this account and charged to the operating expense account *Insurance*.

Prepaid Taxes.

When taxes are paid in advance of their accrual, the amount shall be charged to this account. As the taxes thus prepaid accrue they shall be credited at monthly intervals to this account and charged to the operating expense account *Taxes*. Taxes for special benefits or special assessments for improvements will not be charged to this account.

Prepaid Interest.

When interest is paid in advance of its accrual on any obligations of the gas utility, it shall be charged to this account. As the interest thus prepaid accrues it shall be credited at monthly intervals to this account and charged to the appropriate interest account.

Miscellaneous Prepaid Accounts.

Charge this account with all prepaid items of the gas utility not includible in the preceding prepaid accounts. As the amounts thus prepaid accrue they shall be credited at monthly intervals to this account and charged to the appropriate expense account.

CAPITAL LIABILITIES

Capital Stock.

In the accounts of stocks outstanding a separate account shall be opened for each class of stock issued and no two stocks shall be considered of the same class unless they are equal in their interest or dividend rates, voting rights and conditions under which they may be retired, if the right to retire them is contained in the contract of issue. The characteristics of any class of stock in these regards shall be designated in the title of the accounts opened to cover such stocks and shall be clearly expressed in the first entries to such account. To the account for any class of stocks shall be credited when issued the par value of the amount of such stock issued. If such issue is for money that fact shall be stated, and if for any other consideration than money the persons to whom issued shall be designated and the consideration for which issued shall be described with sufficient particularity to admit of identification; if such issue is to the treasurer or other fiscal agent of the corporation or if by him disposed of for the benefit of the corporation, that fact and the name of such agent shall be shown and such agent shall in his account of the disposition thereof show like details concerning the consideration realized thereon, which account, when accepted by the corporation, shall be preserved as a corporate record.

Funded Debt.

The funded obligations of the utility shall be divided into classes according to their characteristics, as to the security for the same, the rate of interest, interest dates, and date of their maturity. A separate sub-account shall be opened for each such class of funded indebtedness and no accounts or debts not agreeing in the characteristics mentioned shall be included in the same sub-account. The titles of each sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the par value of the amount of the evidences of funded indebtedness issued. The entry shall show not only the amount issued but the purpose for which issued and shall make clear and intelligent reference to the corporate records showing all details connected with such transactions. If the consideration received for the issue is anything other than money, the entries shall show further to whom issued and shall describe with sufficient particularity to identify it, the actual consideration received for it. If the issue is to the agent of an undisclosed principal, the name and business address of such agent and the fact of his agency shall be shown in the entry.

MORTGAGE LIABILITIES

Real Estate Mortgages.

The mortgage obligations of the utility shall be divided into classes according to their characteristics, as to the security for the issue, the rate of interest, interest dates, and the date of maturity. A separate sub-account shall be opened for each mortgage. The title of each such sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the total receipts from the sale of evidences of indebtedness secured by the mortgage. The entries shall show the amount of the mortgage debts, the purpose for which such debt was incurred and shall show by intelligent reference all the details

connected with such transactions. If the consideration received for the indebtedness is anything other than money the entry shall show the person to whom issued and shall describe with sufficient particularity to identify it the actual consideration received. If the indebtedness is to an agent of an undisclosed principal, the name and business address of such agent and the fact of his agency, shall be stated in the entry.

Other Mortgages.

This account shall be raised to show all mortgage indebtedness and transactions pertaining thereto in regard to mortgages other than real estate mortgages as defined in the preceding account *Real Estate Mortgages*.

CURRENT LIABILITIES

Notes and Bills Payable.

When any note, draft or other bill payable, which matures not later than one year after date of issuance or of demand or assumption by the utility of primary liability thereon, is issued or assumed, the par value thereof shall be credited to this account and when it is paid it shall be charged to this account and credited to *Cash* or other appropriate account.

Accounts Payable.

Credit this account, when incurred, with all liabilities of the gas utility upon open accounts not includible in any of the other current liabilities accounts.

Matured Interest on Funded Debt Unpaid.

When interest owing by the gas utility upon any of its funded indebtedness matures and is unpaid, whether the cause of failure is on the part of the coupon holder to present coupons for payment or for other reasons, it shall be credited to this account and charged to the account *Unmatured Interest on Funded Debt Accrued* to which it had heretofore been credited.

Matured Interest on Notes and Bills Payable, Unpaid.

When interest owing by the gas utility on any of its notes and bills payable matures and is unpaid, whether the cause of failure is on the part of the holder of the paper to present it for payment or for other reasons, it shall be credited to this account and charged to the account *Unmatured Interest on Notes and Bills Payable Accrued* to which it had heretofore been credited.

Dividends Unpaid.

When dividends declared by the gas corporation become payable they shall be credited to this account and charged to the account *Dividends*.

Deposits.

Credit to this account, as such deposits are made, all cash deposited with the utility by consumers as security for the payment of gas bills. Deposits refunded shall be charged to this account and credited to *Cash*. Deposits applicable to uncollectible gas bills shall, at the close of the fiscal year or earlier, at the option of the accounting utility, be credited to the account of the consumer involved and debited to this account. Deposits made by employees or others shall also be credited to this account. Detailed records of deposits as between customers and employees will be required by the Commission.

Miscellaneous Current Liabilities.

Credit to this account at their face value all unfunded obligations upon which the gas utility is liable and which are not elsewhere provided for.

ACCRUED LIABILITIES**Insurance Accrued.**

Credit to this account at the close of each month the insurance accrued during the period in question, as determined by the policies of all insurance covering the property of the gas utility. When such premiums are paid they shall be charged to this account and credited to *Cash* or other appropriate accounts.

The amount set aside as insurance reserve by utility carrying its own insurance either in whole or in part shall be charged to this account.

Taxes Accrued.

To this account shall be credited at the close of each month all taxes accrued during the month and corresponding charges shall be made to the *Taxes* account. Credits to the account *Taxes Accrued* will be based upon estimates until the amount of the taxes levied for the period is definitely ascertained. Such estimates shall be made upon the best data available, and as soon as the amount of the taxes for the period is known, the account involved shall be adjusted to conform. When any taxes become due they shall be charged to this account.

Unmatured Interest on Funded Debt Accrued.

To this account shall be credited at the close of each month all unmatured interest accrued during the month upon the funded indebtedness of the gas utility. When such interest matures it shall be charged to this account and credited to the account *Matured Interest on Funded Debt Unpaid*. When paid, the interest shall be charged to the account *Matured Interest on Funded Debt Unpaid* and credited to *Cash* or to the coupon deposit account.

Unmatured Interest on Notes and Bills Payable, Accrued.

To this account shall be credited at the close of each month all unmatured interest accrued during the month upon all notes and bills payable by the gas utility. When such interest matures it shall be charged to this account and credited to the account *Matured Interest on Notes and Bills Payable, Unpaid*. When the interest is paid, it shall be charged to the account *Matured Interest on Notes and Bills Payable, Unpaid*, and credited to *Cash* or other appropriate account.

Dividends Accrued.

To this account may be credited at the close of each month the amount of dividends accrued on preferred and common stock during such period at the rates of dividend payments established by the corporation. When such dividends become payable they shall be charged to this account and credited to the account *Dividends Unpaid*, in which account they shall remain till paid, when amount shall be charged to *Dividends Unpaid*, making a corresponding credit to *Cash* or other appropriate account.

Miscellaneous Liabilities Accrued.

To this account shall be credited at the end of each month as it accrues, any other unfunded obligation of the utility not provided for in any of the preceding accrued liability accounts, making a corresponding charge to operating expenses or other expense account.

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